

**PROS AND CONS OF HOLDING SPACE FOR A NEW DOWNTOWN
HOSPITAL
A HEALTH CARE PERSPECTIVE**

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The pros and cons listed below lead me to the following recommendation:

- *A primary care clinic, accepting all patients in need of care without regard to financial sponsorship, and an urgent care clinic should be established on, or near, the current SJMC site.*
- *The City should commit to reserving an appropriate site for a new hospital in an area readily accessible to downtown residents and future residents of areas expected to experience considerable growth, in anticipation of a hospital becoming operational by 2015-2020.*
- *The City should be guided by a health planning process established by the City and County, involving consumers and providers. In addition to advising on a hospital site and the type of hospital to be constructed, the planning process would monitor performance of all hospitals located within the City of San Jose regarding their track records in meeting community needs. Findings should be well publicized.*

A. Pros

1. Puts City on record acknowledging that additional hospital capacity will be needed between 2015 and 2020 to meet acute-care needs of downtown population.
2. Would encourage the City and the County to establish a planning process. (Optimally, the designation of a site should be accompanied by establishment of a planning process.)
3. Would encourage existing local hospitals to take steps to address this need, to preclude a future potential competitor.
4. Would encourage a potential hospital operator to come forward.
5. Failure to designate a site could encourage local hospitals to maintain a capacity shortage to increase their negotiating leverage with private health plans and Medi-Cal.

6. Failure to designate a site could encourage local hospitals to expand capacity just enough to discourage entry of a new hospital, but not enough to adequately meet community needs. (But this could happen even if a site is designated.)
7. If site is adequate and in appropriate location, could meet needs of North San Jose as well as downtown. And this could accelerate development.
8. Targeting North San Jose in addition to downtown could improve financial feasibility of new hospital and enable development of a larger, more comprehensive hospital.
9. If site is not current SJMC site, conflict with property owner is avoided (and possible stalemate over clinic, etc.).
10. Planning process should also monitor all local hospitals' performance regarding providing access for uninsured and Medi-Cal, providing local providers an incentive to act in the public interest.
11. This provides an opportunity for the City of San Jose to integrate health planning with land use planning, using its leverage to improve the health of its residents.

B. Cons

1. If current SJMC site is designated, conflict with property owner likely to preclude development of clinic and urgent care center on site.
2. If other site designated, could discourage non-hospital medical projects (e.g., medical office building, lab, x-ray) on SJMC site, since potential providers/investors may prefer to locate near a hospital and medical campus.
3. Restoration of access for former SJMC consumers could be compromised, depending on location of designated site.
4. Designation of a specific site could discourage existing hospitals from making capital investments that would improve health care.
5. If the planning process does not commence shortly after designation of site, momentum could be lost and pressures could mount to allow other uses of site.